

STATEMENT BY ADMIRAL THOMAS H. MOORER BEFORE THE HOUSE OF REPRESENTATIVES COMMITTEE ON BANKING AND FINANCIAL SERVICES ON DEC 8, 1999.

Mr. Chairman, Members of the Committee:

I have testified several times before many Committees, particularly on such subjects as: National Strategy; The Panamal Canal CARTER-TORRIJOS Treaty.; Military Budgets; NATO etc. Today I am very gratified to be invited to discuss the Panama Canal Treaty . I have testified concerning this ill advised treaty many times beginning when the initial treaty was proposed by President Carter. At that time I stated:

" The defense and use of the Panama Canal is wrapped unextricably with the overall global strategy and prosperity of the United States and the security of the free world. If the United States opts to turn over full responsibility for the maintenance and operation of such an important waterway to a small, resource-poor, and unstable country as Panama and then withdraws all US presence, a vacuum will be quickly filled by proxy or directly by the Soviet Union, as is their practice at every opportunity. However, power centers have changed and Chinese Communists have filled this vacuum. The Chinese have negotiated with the previous Ballederous government of what has become known as Panama Law No. 5. (PL 5)

This Law was enacted on January 16, 1997 by the Legislative Assembly and it gives very extensive "rights" to Communist Controlled Hutchinson Whampoa Ltd. based in HONG KONG. (Recently turned over to the Communists by the British Government) This Company has close ties to Mr. Li , a multi billionaire, with close ties to the Chinese Communist Army. I call attention of the Committee to the fact that the rights granted the Chinese grossly violate the United States rights under the Panama Neutrality Treaty. PL 5 unethically shut out US bids and gave Panama extensive financial benefits.

Clearly, US interests and rights are grossly violated by Panama Law 5 and this cannot be ignored.

A. Article 2.1 and 212a of PL 5 authorize Hutchinson to occupy defense sites Rodman Naval Station and Albrook Air Force Station in violation of Article V of the Carter Treaty which authorizes Panama only in defense sites. As a result Communists China could launch missiles, and operate aircraft and naval forces only 900 miles from Miami.

B. Articles 2.1 and 2.1d of PL5 grants "Priority operations" to Hutchinson at the Canal entry ports of Balboa and Cristobal and conflict with Art. VI of the Carter Treaty which guarantees "head of the line" and expeditious passage for US ships. The Chinese Communists are in a position to block US passage.

C. Articles 2.10c and 2.12i authorize Hutchinson to operate its own pilotage service, creating conflict and difficulties for the United States, particularly in emergencies.

D. Articles 2.10e authorizes Hutchinson control of Diablo Road and Gaillard Avenue to strategic areas of the Canal--potentially dangerous in a combat situation.

E Article 2.8 of PL5 authorizes Hutchinson to transfer its 50 yr lease to a third party: for example, Cuba, the UN, Iraq, North Korea, or the Peoples republic of China.

Clearly., US interests and rights are not protected in PL5. Neither is the US unilateral right to defend the Canal- because Panama's counter reservation to the to the Panama Canal require Panama's "COOPERATION" and was never approved by the US Senate. This resulted in two versions of the Treaty. To be legal both treaties must be identical.

From the above, one must conclude that all is not just rosy

The Administration and the mainline media are misleading and incorrect when they say that everything is just fine and the canal is doing well.

The Carter Treaty, which fixed the date of US departure as December 31, 1999, was a severe blow to our National Security. Now with hoards of Chinese Communists infiltrating our Hemisphere I feel that is the Presidents duty with Senate support to force Panama into compliance with the Carter Treaty and expel the Communists from defense sites and as "Gatekeeper" of our Canal. We built it, we paid for it, and we should keep it.

Mr. Chairman, and members of the Committee:

I know that this Committee is interested primarily on the financial and commercial impact of the Panama Canal Treaty after December 31, 1999. While I am not prepared to give the Committee the impact in dollars it is bound to be substantial.

Commercial and Financial Impact:

1. The amount of tonnage shipped through the canal is on the order of 1000 ships per month. A large part of this shipping moving goods back and forth between east and west coast and in and out of the Gulf of Mexico. The Canal offers the cheapest transportation. Interference with Canal will naturally raise prices for all nations.
2. A large part of the Alaskan Oil is refined in the Gulf. If the OPEC nations carry out their threat to raise the price of oil again the price of oil would go up.
3. A large amount of rice, wheat and corn is shipped down the Mississippi

Please read H.J. RESOLUTION 77 submitted by Mrs. Chenoweth-Hage on November 9, 1999

T.H. Moore